

Proposed Change in Service Definition for FMS

Public Comment Period: **Posted:** November 10, 2014 **Ends:** December 20, 2014
KDADS 503 S. Kansas Ave, Topeka, KS 66603 * www.kdads.ks.gov * 785-296-4986 * HCBS-KS@kdads.ks.gov

Kansas is promoting true choice by making options available to the participant or responsible party by entering into an employment support with the Financial Management Services (FMS) provider and to work collaboratively with the FMS to ensure the receipt of quality, needed support services from direct support workers. The participant retains the sole responsibility as the common law employer. FMS service will be provided through a third party entity. For detailed information about the language related to FMS model, please review the FMS Proposed Changes document on the KDADS website.

1. MCO Responsibilities.

The MCO will ensure that persons seeking or receiving participant-directed services have been informed of the benefits and responsibilities of the participant-direction and provide the choice of FMS providers. The choice will be presented to the person initially at the time participant-direction is chosen and annually during his/her plan of care planning process, or at any time requested by the participant or the person directing services on behalf of the participant. The MCO is responsible for documenting the provider choice. In addition, The MCO will be responsible for informing the participant of the process for changing or discontinuing an FMS provider and the process for ending participant-direction. The MCO will be responsible for informing the participant that agency-directed services can be made at any time if the participant no longer desires to participant-direct his/her service(s).

2. Self-Direction Objectives.

The FMS provider will provide information regarding participant direction relating to employer responsibilities, including potential liabilities associated with participant direction. Participant-direction (K-PASS participant-direction tool kit) is available to all participants through the KDADS website. The participant and participant's representative are responsible for working collaboratively with their FMS provider to meet shared objectives. These objectives may include:

- Participant is receiving high quality services.
- Participant receives needed services from qualified workers.
- Tasks are provided in accordance with state law governing participant-direction, Medicaid and the State of Kansas requirements, and the plan of care is authorized by MCO.

3. FMS Duties.

FMS support is available for the participant (or the person assigned by the participant, such as a representative, family member, parent, spouse, adult child, guardian) who has chosen to participant-direct some or all services, to assist the participant by performing administrative and payroll functions. FMS support will be provided within the scope of the Employer Authority model. The FMS is available to participants who reside in their own private residences or the private home of a family member and have chosen to participant-direct their services. FMS assists the participant or participant's representative by providing two distinct types of tasks: (1) Administrative Tasks and (2) Information and Assistance (I & A) Tasks. The FMS provider is responsible for certain administrative functions, tasks include, but are not limited to, the following:

- Verification and processing of time worked and the provision of quality assurance;
- Preparation and disbursement of qualified direct support worker payroll in compliance with federal, state and local tax; labor; and workers' compensation insurance requirements; making tax payments to appropriate tax authorities;
- Performance of fiscal accounting and expenditure reporting to the participant or participant's representative and the state, as required.
- Assistance to ensure the basic minimum qualifications set by the State are met in order to ensure participant safety, health and welfare.

4. Information and Assistance Responsibilities

- Explanation of all aspects of participant-direction and subjects pertinent to the participant or participant's representative in managing and directing services;
- Assistance to the participant or participant's representative in arranging for, directing and managing services;
- Assistance in identifying immediate and long-term needs, developing options to meet those needs and accessing identified supports and services;
- Offers practical skills training to enable participants or representatives to independently direct and manage waiver services such as recruiting and hiring direct service workers, managing workers, and providing effective communication and problem-solving.

5. No Duplication of Service.

This service does not duplicate other waiver services including case management. Where the possibility of duplicate provision of services exists, the participant plan of care shall clearly delineate responsibilities for the performance of activities.

6. Employer Responsibilities.

In addition to the MCO's responsibility above, the FMS provider is also responsible for informing participant that he/she must exercise responsibility for making the choice to participant-direct his/her attendant care services, understand the impact of the choices made, and assume responsibility for the results of any decisions and choices that was made. The FMS is responsible for clearly communicating verbally and in writing the participant's responsibilities relating his/her role as an employer of a direct service worker, the information and assistance provided, at a minimum must include, but not limited to the following:

- Act as the employer for Direct Support Workers (DSW), or designate a representative to manage or help manage Direct Support Workers. See definition of representative above.
- Negotiate a FMS Service Agreement with the chosen FMS provider that clearly identifies the roles and responsibilities of the participant and the FMS provider
- Establish the wage of the DSW(s)
- Select Direct Support Worker(s)
- Refer DSW to the FMS provider for completion of required human resources and payroll documentation. In cooperation with the FMS provider, all employment verification and payroll forms must be completed.
- Negotiate an Employment Service Agreement with the DSW that clearly identifies the responsibilities of all parties, including work schedule.
- Provide or arrange for appropriate orientation and training of DSW(s).
- Determine schedules of DSW(s).
- Determine tasks to be performed by DSW(s) and where and when they are to be performed in accordance with the approved and authorized POC or others as identified and/or are appropriate.
- Manage and supervise the day-to-day HCBS activities of DSW(s).
- Verify time worked by DSW(s) was delivered according to the POC; and approve and validate time worked electronically or by exception paper timesheets.
- Assure utilization of EVV system to record DSW time worked and all other required documents to the FMS provider for processing and payment in accordance with established FMS, State, and Federal requirements. The EVV/timesheet will be reflective of actual hours worked in accordance with an approved POC.
- Process for reporting work-related injuries incurred by DSW(s) to the FMS provider.
- Develop an emergency worker back-up plan in case a substitute DSW is ever needed on short notice or as a back-up (short-term replacement worker).
- Assure all appropriate service documentation is recorded as required by the State of Kansas HCBS Waiver program policies, procedures, or by Medicaid Provider Agreement.

- Inform the FMS provider of any changes in the status of DSW(s), such as changes of address or telephone number, in a timely fashion.
- Inform the FMS provider of the dismissal of a DSW within 3 working days.
- Inform the FMS provider of any changes in the status of the participant or participant's representative, such as the participant's address, telephone number or hospitalizations within 3 working days.
- Participate in required quality assurance visits with MCOs, and State Quality Assurance Staff, or other Federal and State authorized reviewers / auditors.
- Comply with all local, state and federal laws and regulations.

7. FMS Provider Requirements

- a. Enrolled FMS providers will furnish Financial Management Services according to Kansas model. The provider requirements will be published and placed on the Kansas Medical Assistance Program (KMAP) website and/or in the KanCare MCO provider manuals and websites.
- b. Organizations interested in providing Financial Management Services (FMS) are required to submit a signed Provider Agreement to the State Operating Agency, KDADS, prior to enrollment to provide the service. The agreement identifies the waiver programs under which the organization is requesting to provide FMS and outlines general expectations and specific provider requirements. The agreement will be renewed annually and approval is subject to satisfactory completion of required financial audit. In addition, organizations are required to submit the following documents with the signed agreement:
 - Community Developmental Disability Organization (CDDO) agreement (I/DD only)
 - Secretary of State Certificate of Corporate Good Standing
 - W-9 form
 - Proof of Liability Insurance
 - Proof of Workers Compensation insurance
 - Copy of the most recent quarterly operations report or estimate for first quarter operations
 - Financial statements (last 3 months bank statements or documentation of line of credit)
 - Copy of the organization's Policies and Procedures manual, to include information that covers requirements listed in the FMS Medicaid Provider Manual.
 - Including process for conducting background checks
 - Process for establishing and tracking workers wage with the participant
- c. The FMS provider agreement and accompanying documentation are reviewed by the State Operating Agency and all assurances are satisfied as part of a readiness review prior to signing by the Secretary of KDADS (or designee). KanCare MCOs should not credential any application without evidence of a fully executed FMS Provider agreement.

8. Payment for FMS

- a. FMS providers will be reimbursed a monthly fee per member per month. The per member per month payment was estimated based upon a formula that included all direct and indirect costs to payroll agents and an average hourly rate for direct care workers. Information was gathered as part of a Systems Transformation Grant study conducted by Myers & Stauffer.
- b. Under the KanCare program, FMS providers will contract with MCOs for final payment rates, which cannot be less than the current FMS rate.

9. Limitations

- a. Access to this service is limited to participants who chose to participant-direct some or all of the service(s) when participant-direction is offered.
- b. FMS service is reimbursed per member per month. FMS service may be accessed by the participant at a minimum monthly or as needed in order to meet the needs of the participant. A participant may have only one FMS provider per month.